



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-136]

Certain Chassis and Subassemblies Thereof from the People's Republic of China: Countervailing Duty Order and Amended Final Affirmative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing a countervailing duty (CVD) order on certain chassis and subassemblies thereof (chassis) from the People's Republic of China (China). In addition, Commerce is amending its final determination with respect to chassis from China to correct a ministerial error.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: William Langley or Nicholas Czajkowski, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-3861 or (202) 482-1395, respectively.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 705(a), 705(d), and 777(i)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(c), on March 22, 2021, Commerce published its affirmative final determination that countervailable subsidies are being provided to producers and exporters of chassis from China.¹ In the investigation of chassis from China, the Coalition of American Chassis Manufacturers (the petitioner) submitted a timely allegation on the record that

¹ See *Certain Chassis and Subassemblies Thereof from the People's Republic of China; Final Affirmative Countervailing Duty Determination*, 86 FR 15186 (March 22, 2021) (*Final Determination*), and accompanying Issues and Decision Memorandum.

Commerce made a ministerial error in the final CVD determination on chassis from China.² Section 705(e) of the Act and 19 CFR 351.224(f) define ministerial errors as errors in addition, subtraction, or other arithmetic function, clerical errors resulting from inaccurate copying, duplication, or the like, and any other type of unintentional error which Commerce considers ministerial. We reviewed the allegation and determined that we made a ministerial error in the final CVD determination on chassis from China. *See* “Amendment to the Final Determination” section below for further discussion.

On May 3, 2021, the ITC notified Commerce of its affirmative final determination that pursuant to sections 705(b)(1)(A)(i) and 705(d) of the Act, an industry in the United States is materially injured by reason of subsidized imports of subject merchandise from China.³

Scope of the Order

The products covered by this order are certain chassis and subassemblies thereof from China. For a complete description of the scope of this order, *see* the appendix to this notice.

Amendment to the Final Determination

On March 22, 2021, the petitioner submitted a timely ministerial error allegation regarding the *Final Determination*.⁴ Commerce reviewed the record and, on April 8, 2021, agreed that the error alleged by the petitioner constituted a ministerial error within the meaning of section 705(e) of the Act and 19 CFR 351.224(f).⁵ Specifically, Commerce found that it made an error in calculating the subsidy rates for inputs provided for less than adequate remuneration to Qingdao CIMC Special Vehicles Co., Ltd. and Dongguan CIMC Vehicle Co., Ltd. and their cross-owned companies (collectively, CIMC). Pursuant to 19 CFR 351.224(e), Commerce is amending the *Final Determination* to reflect the correction of the ministerial error described in

² *See* Petitioner’s Letter, “Certain Chassis and Subassemblies Thereof from the People’s Republic of China: Ministerial Error Allegations,” dated March 22, 2021 (Ministerial Error Allegations).

³ *See* ITC’s Letter, “Notification of ITC Final Determination,” dated May 3, 2021 (ITC Notification Letter).

⁴ *See* Ministerial Error Allegations.

⁵ *See* Memorandum, “Countervailing Duty Investigation of Certain Chassis and Subassemblies Thereof from the People’s Republic of China: Ministerial Error Allegations in the Final Determination,” dated April 8, 2021 (Ministerial Error Memorandum) at 1-2.

the Ministerial Error Memorandum. Based on the correction, the subsidy rate for CIMCs changed from 39.14 percent to 44.32 percent. Because the all-others rate is based entirely on CIMC's *ad valorem* subsidy rate, the all-others rate also changed from 39.14 percent to 44.32 percent.

Countervailing Duty Order

As stated above, on May 3, 2021, in accordance with section 705(d) of the Act, the ITC notified Commerce of its final determination that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act by reason of subsidized imports of chassis from China.⁶ Therefore, in accordance with section 705(c)(2) of the Act, Commerce is issuing this CVD order. Because the ITC determined that imports of chassis from China are materially injuring a U.S. industry, unliquidated entries of such merchandise from China, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

Therefore, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, countervailing duties for all relevant entries of chassis from China which are entered, or withdrawn from warehouse, for consumption on or after January 4, 2021, the date of publication of the *Preliminary Determination*,⁷ but will not include entries occurring after the expiration of the provisional measures period and before the publication of the ITC's final injury determination under section 705(b) of the Act, as further described in the "Provisional Measures" section of this notice.⁸

Continuation of Suspension of Liquidation and Cash Deposits

⁶ See ITC Notification Letter.

⁷ See *Certain Chassis and Subassemblies Thereof from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 86 FR 56 (January 4, 2021) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

⁸ In the *Final Determination*, Commerce inadvertently stated that we would instruct CBP to "suspend liquidation of entries of subject merchandise from China that were entered, or withdrawn from warehouse, for consumption, effective January 4, 2020, which is the date of publication of the *Preliminary Determination*." The *Preliminary Determination* was published on January 4, 2021, which is the date reflected in our instructions to CBP.

Except as noted in the “Provisional Measures” section of this notice, in accordance with section 706(a)(1) of the Act, Commerce will instruct CBP to continue to suspend liquidation on all relevant entries of chassis from China. These instructions suspending liquidation will remain in effect until further notice.

Commerce will also instruct CBP to require cash deposits equal to the net countervailable subsidy rates indicated in the table below. Accordingly, effective on the date of publication in the *Federal Register* of the notice of the ITC’s final affirmative injury determination, CBP must require, at the same time as importers would deposit estimated normal customs duties on subject merchandise, a cash deposit equal to the rates listed in the table below.

Company	Subsidy Rate (percent)
Qingdao CIMC Special Vehicles Co., Ltd. and Dongguan CIMC Vehicle Co., Ltd. ⁹	44.32
All Others	44.32

Provisional Measures

Section 703(d) of the Act states that the suspension of liquidation pursuant to an affirmative preliminary determination may not remain in effect for more than four months.

Commerce published the *Preliminary Determination* on January 4, 2021.¹⁰

The provisional measures period, beginning on the date of publication of the *Preliminary Determination*, ended on May 3, 2021. Therefore, in accordance with section 703(d) of the Act and our practice, Commerce will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of chassis from China entered, or withdrawn from warehouse, for consumption after May 3, 2021, the final day on

⁹ Commerce finds the following companies to be cross-owned with Qingdao CIMC Special Vehicles Co., Ltd. and Dongguan CIMC Vehicle Co., Ltd.: CIMC Vehicles (Group) Co., Ltd.; Shenzhen CIMC Vehicle Co., Ltd.; Zhumadian CIMC Huajun Casting Co., Ltd.; China International Marine Containers (Group) Co., Ltd.; Liangshan CIMC Dongyue Vehicles Co., Ltd.; Shandong Wanshida Special Vehicle Manufacturing Co., Ltd.; Yangzhou CIMC Tonghua Special Vehicles Co., Ltd.; Zhumadian CIMC Huajun Vehicle Co., Ltd.; Gansu CIMC Huajun Vehicles Co., Ltd.; CIMC Vehicles (Liaoning) Co., Ltd.; and Zhumadian CIMC Wanjia Axle Co., Ltd.

¹⁰ See *Preliminary Determination*.

which the provisional measures were in effect, until and through the day preceding the date of publication of the ITC's final affirmative injury determination in the *Federal Register*.

Suspension of liquidation and the collection of cash deposits will resume on the date of publication of the ITC's final determination in the *Federal Register*.

Notification to Interested Parties

This notice constitutes the CVD order with respect to chassis from China pursuant to section 706(a) of the Act. Interested parties can find a list of CVD orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This amended final determination and order is issued and published in accordance with sections 705(d) and 706(a) of the Act and 19 CFR 351.211(b) and 351.224(e).

Dated: May 4, 2021.

Christian Marsh,
Acting Assistant Secretary
for Enforcement and Compliance.

Appendix

Scope of the Order

The merchandise covered by this order is chassis and subassemblies thereof, whether finished or unfinished, whether assembled or unassembled, whether coated or uncoated, regardless of the number of axles, for carriage of containers, or other payloads (including self-supporting payloads) for road, marine roll-on/roll-off (RORO) and/or rail transport. Chassis are typically, but are not limited to, rectangular framed trailers with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers to the chassis using twistlocks, slide pins or similar attachment devices to engage the corner fittings on the container or other payload.

Subject merchandise includes, but is not limited to, the following subassemblies:

- Chassis frames, or sections of chassis frames, including kingpin assemblies, bolsters consisting of transverse beams with locking or support mechanisms, goosenecks, drop assemblies, extension mechanisms and/or rear impact guards;
- Running gear assemblies or axle assemblies for connection to the chassis frame, whether fixed in nature or capable of sliding fore and aft or lifting up and lowering down, which may or may not include suspension(s) (mechanical or pneumatic), wheel end components, slack adjusters, axles, brake chambers, locking pins, and tires and wheels;
- Landing gear assemblies, for connection to the chassis frame, capable of supporting the chassis when it is not engaged to a tractor; and
- Assemblies that connect to the chassis frame or a section of the chassis frame, such as, but not limited to, pintle hooks or B-trains (which include a fifth wheel), which are capable of connecting a chassis to a converter dolly or another chassis.

Importation of any of these subassemblies, whether assembled or unassembled, constitutes an unfinished chassis for purposes of this order.

Subject merchandise also includes chassis, whether finished or unfinished, entered with or for further assembly with components such as, but not limited to: Hub and drum assemblies, brake assemblies (either drum or disc), axles, brake chambers, suspensions and suspension components, wheel end components, landing gear legs, spoke or disc wheels, tires, brake control systems, electrical harnesses and lighting systems.

Processing of finished and unfinished chassis and components such as trimming, cutting, grinding, notching, punching, drilling, painting, coating, staining, finishing, assembly, or any other processing either in the country of manufacture of the in-scope product or in a third country does not remove the product from the scope. Inclusion of other components not identified as comprising the finished or unfinished chassis does not remove the product from the scope.

Individual components entered and sold by themselves are not subject to the order, but components entered with or for further assembly with a finished or unfinished chassis are subject merchandise. A finished chassis is ultimately comprised of several different types of subassemblies. Within each subassembly there are numerous components that comprise a given subassembly.

This scope excludes dry van trailers, refrigerated van trailers and flatbed trailers. Dry van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and

roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer itself. Refrigerated van trailers are trailers with a wholly enclosed cargo space comprised of fixed sides, nose, floor and roof, with articulated panels (doors) across the rear and occasionally at selected places on the sides, with the cargo space being permanently incorporated in the trailer and being insulated, possessing specific thermal properties intended for use with self-contained refrigeration systems. Flatbed (or platform) trailers consist of load-carrying main frames and a solid, flat or stepped loading deck or floor permanently incorporated with and supported by frame rails and cross members.

The finished and unfinished chassis subject to this order are typically classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 8716.39.0090 and 8716.90.5060. Imports of finished and unfinished chassis may also enter under HTSUS subheading 8716.90.5010. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under order is dispositive.

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